



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Green River District

Vernal Field Office

170 South 500 East

Vernal, UT 84078

<http://www.blm.gov/ut/st/en/fo/vernal.html>



MAY 09 2016

IN REPLY REFER TO:

3160 (LLUTG011)

UTU63048X (Seep Ridge Unit)

Board of Oil, Gas and Mining

P.O. Box 145801

Salt Lake City, UT 84114-5801

FILED

MAY 10 2016

**SECRETARY, BOARD OF
OIL, GAS & MINING**

Re: Docket 2016-013, Cause No. 207-03
Order to Plug and Reclaim Govt AF No. 1 Well

Members of the Board:

The Bureau of Land Management (BLM) has reviewed the referenced Request for Agency Action affecting the Government "AF" No. 1 well, API No. 43-047-30143, located within and subject to the Seep Ridge Unit Agreement, No. 14-08-0001-12415 (please see enclosed plat of unit area).

The subject well is located on Federal Lease UTU19633 which was committed to the Seep Ridge Unit Agreement upon approval of the unit expansion on May 31, 1974 (please see enclosed approval letter and memorandum).

On April 18, 2008, the Utah State Office, Bureau of Land Management approved the resignation of Hot Rod Oil as operator of the Seep Ridge Unit and the selection of Summit Operating, LLC (Summit) as the successor operator (copy enclosed).

As stated previously to the Utah, Division of Oil, Gas and Mining, Summit, as operator of the Seep Ridge Unit, is liable for the outstanding issues with the subject well (see enclosed letter from the UDOGM to Summit Energy LLC dated February 24, 2016).

Our office sent a certified letter to Summit earlier this year requiring them to address several wells that have not produced for a number of years (please see enclosed letter to Summit dated March 8, 2016). One of the wells that Summit is expected to address includes the subject well of this matter before the Board.

Should there be any questions regarding this letter, please contact me at (435) 781-4440.

Respectfully submitted this 9th day of May 2016.

Sincerely,



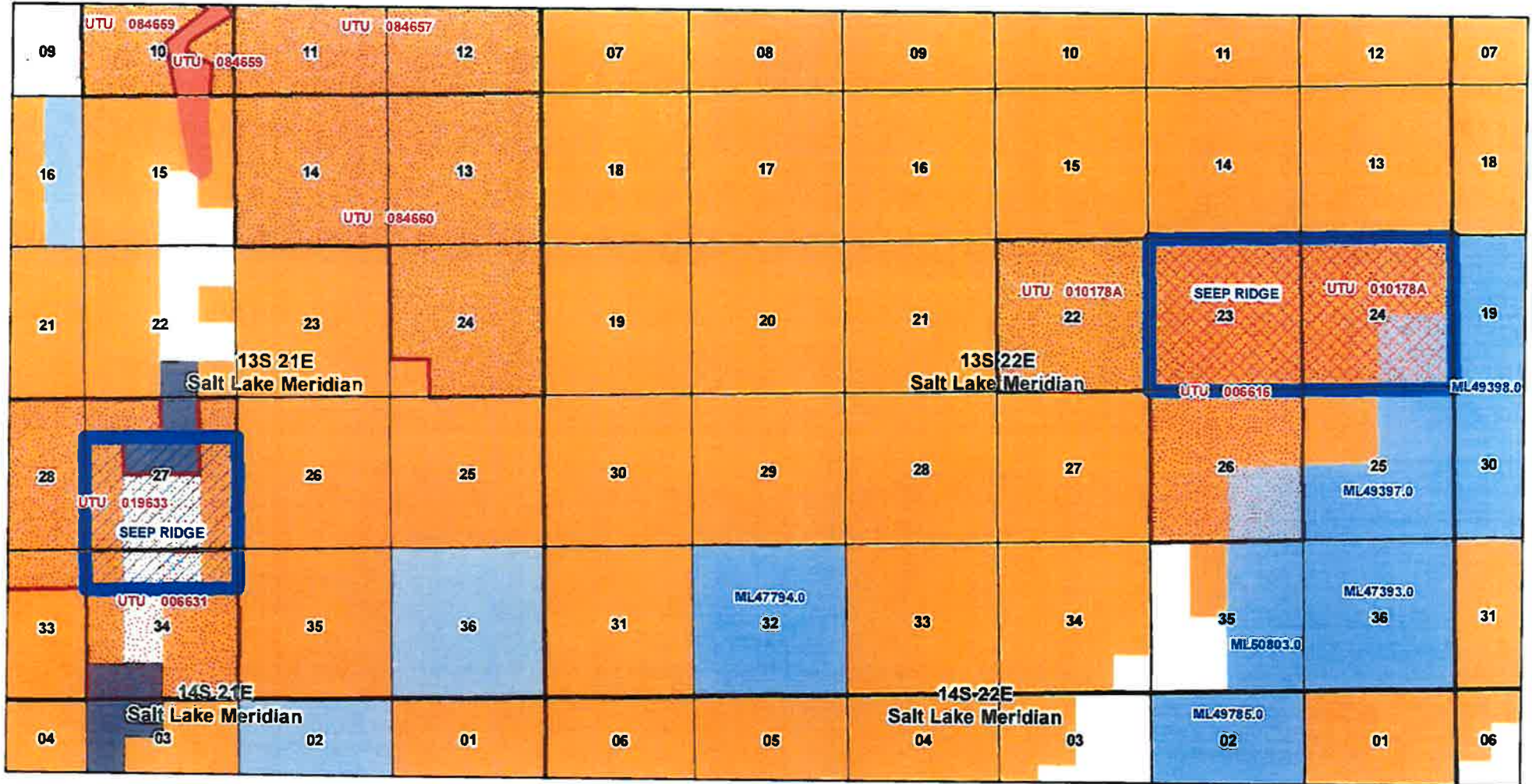
Jerry Kenczka
Assistant Field Manager for Lands and Minerals



Enclosures

SEEP RIDGE UNIT

Uintah County, Utah

EFFECTIVE: March 15, 1972



 DAKOTA PA "A", 891012415B
 DAKOTA PA "B", 891012415A

UTU63048X
AS CONTRACTED August 6, 1978
1,920.00 ACRES

DAKOTA PA "A"
Allocation
 Federal 100.00%
 1,280.00 Acres

DAKOTA PA "B"
Allocation
 Federal 87.50%
 Fee 12.50%
 640.00 Acres

File - Seep Ridge unit
Kahler 5/31

78

May 31, 1974

Texaco Inc.
P. O. Box 2100
Denver, Colorado 80201

Gentlemen:

Your proposed expansion of the Seep Ridge unit area, Uintah County, Utah, is hereby approved, effective as of February 1, 1974.

The expansion increases the unit area by the addition of 23,097.08 acres, resulting in a total of 48,813.19 acres in the unit area.

Enclosed are four copies of the approved expansion. We request that you furnish the State of Utah, and any other principals, with appropriate evidence of this approval.

Sincerely yours,

~~(SIGNED)~~ W. J. LINTON

W. J. Linton
Acting Area Oil and Gas Supervisor

Enclosure

Copy to: BLM, Salt Lake City
Salt Lake City DE
✓ File
Reading File

RKahler:jsc

Thin - Seep Ridge Unit
Kahler 7/29
Inter 7/25

78

July 25, 1974

Memorandum

To: State Director, Bureau of Land Management, Salt Lake City,
Utah

From: Oil and Gas Supervisor, Northern Rocky Mountain Area

Subject: Expansion of the Seep Ridge unit area, Uintah County, Utah

On May 31, 1974, the request for expansion of the subject unit area was approved effective as of February 1, 1974. This expansion was given preliminary approval by Survey letter of February 7, 1974. The request for final approval was submitted by Texaco Inc., unit operator, on December 6, 1973, after all of the requirements set forth in section 2 of the unit agreement had been fulfilled. No objections to the proposed expansion were received. As a result of this expansion the unit area is increased from 25,716.11 acres to 48,813.19 acres.

Federal lands included in the following leases are being added to the unit area:

Utah

10179*	19184	19190	5293*	6621
10191*	19185	19192*	5294-A*	6631
10645*	19186	19193*	6609-A	7378
19182	19187	19632	6620	8868*
19183	19189	19633		

*Indicates lease to be considered for segregation by the Bureau of Land Management pursuant to section 18(g) of the unit agreement and Public Law 86-705.

All lands and interests are fully committed except Indian tracts 60, 61, 62, and 63, and State tract 64 containing 977.03 acres with a total of 4.23 percent, which are not committed; and patented tracts 68, 69, 70, 71, 72, and 73 containing 5,047.15 acres with a total of 21.85 percent, which are partially committed. Also certain overriding royalty interest owners have not signed the unit agreement. All parties owning interests within the area being added to this unit area were invited to join the unit agreement.

In view of the foregoing commitment status, effective control of operations within the unit area is assured. We are of the opinion that the agreement

is necessary and advisable in the public interest and for the purpose of more properly conserving natural resources.

(SIGNED) C. J. CURTIS

C. J. Curtis

Copy to: Salt Lake City (w/attach.)
Leasing
Accounts
✓ File - Seep Ridge Unit
Reading File

RKahler:ved



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov/ut/st/en.html>



LW
4/18/08

IN REPLY REFER TO
3180
UT-922

April 18, 2008

David Knudson
Summit Operating, LLC
1441 Ute Blvd, Suite 280
Park City, Utah 84098

Re: Seep Ridge Unit
Uintah County, Utah

Dear Mr. Knudson:

On April 10, 2008, we received an indenture dated April 9, 2008, whereby Hot Rod Oil resigned as Unit Operator and Summit Operating, LLC was designated as Successor Unit Operator for the Seep Ridge Unit, Uintah County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective April 18, 2008. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Seep Ridge Unit Agreement.

Your statewide oil and gas bond no. UTB000014 will be used to cover all operations within the Seep Ridge Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate agencies, with one copy returned herewith.

Sincerely,

/s/ Terry Catlin

Terry Catlin
Acting Chief, Branch of Fluid Minerals

Enclosure

bcc: Field Manager Vernal - (w/enclosure)
SITLA
Division of Oil, Gas & Mining
File - Seep Ridge Unit (w/enclosure)
Fluids - Mickey
Agr. Sec. Chron
Reading File
Central Files

LWilcken:lw:4/18/08Seep Ridge

Becky J. Hammond
Chief, Branch of Fluid Minerals
Bureau of Land Management
P.O. Box 45155
Salt Lake City, Utah 84145-0155

Re: Seep Ridge Unit
Uintah County, Utah

Gentlemen:

Enclosed for your consideration and approval, are four (4) copies of Resignation of Unit Operator and Designation of Successor Operator for the Seep Ridge Unit Agreement. Summit Operating, LLC, as the designated successor operator under the Seep Ridge Unit Agreement, hereby certifies that the requisite approvals of the current working interest owners in the agreement have been obtained to satisfy the requirements for selection of a successor operator as set forth under the terms and provisions of the agreement. All operations within the Seep Ridge Unit Agreement will be covered by bond no. UTB000014.

Sincerely,



David Knudson
Summit Operating, LLC
operations

Enclosures

RESIGNATION OF UNIT OPERATOR

Seep Ridge Unit

County of Uintah

State of Utah

Unit Agreement No. 1408000112415

UTAH STATE OF
RECEIVED
ACCOUNTS UNIT

2008 APR 10 PM 3:15


DEPT OF INTERIOR
BUR OF LAND MGMT

Hand Delivered
MLC 4/10/2008

Under and pursuant to the provisions of Section 5 of the Unit Agreement for the Development and Operation of the Seep Ridge Unit, Uintah County, Utah, **Hot Rod Oil** the designated Unit Operator under said Unit Agreement, does hereby resign as Unit Operator, effective upon the selection and approval of a successor Unit Operator.

EXECUTED with effect as aforesaid the 9 day of April, 2008.

ATTEST:

Hot Rod Oil


DESIGNATION OF
SUCCESSOR UNIT OPERATOR

Seep Ridge Unit

County of Uintah

State of Utah

Unit Agreement No. 1408000112415

THIS INDENTURE, dated as of the 9 day of April, 2008, by and between **Hot Rod Oil and Summit Operating, LLC**, hereinafter designated as "First Party" and the owners of unitized working interests, hereinafter designated as "Second Parties,"

WITNESSETH:

WHEREAS, under the provisions of the Act of February 25, 1920, 41 Stat. 437, 30 U.S.C. Secs. 181, et seq., as amended by the Act of August 8, 1946, 60 Stat. 950, the Secretary of the Interior on the 15 day of March, 2007, approved a Unit agreement for the Seep Ridge Unit, wherein **Summit Operating, LLC** is designated as Unit Operator, and

WHEREAS said, **Hot Rod Oil** has resigned as such Operator and the designation of a successor Unit Operator is now required pursuant to the terms thereon; and

WHEREAS the First Party has been and hereby is designated by Second Parties as Unit Operator, and said First Party desires to assume all the rights, duties and obligations of Unit Operator under the said Unit Agreement:

NOW, THEREFORE, in consideration of the premises hereinbefore set forth and the promises hereinafter stated, the First Party hereby covenants and agrees to fulfill the duties and assume the obligations of Unit Operator under and pursuant to all the terms of the Seep Ridge Unit Agreement, and the Second Parties covenant and agree that, effective upon approval of this indenture by the Chief, Branch of Fluid Minerals, Bureau of Land Management, First Party shall be granted the exclusive right and privilege of exercising any and all rights and privileges as Unit Operator, pursuant to the terms and conditions of said Unit Agreement; said Unit Agreement being hereby incorporated herein by reference and made a part hereof as fully and effectively as though said Unit Agreement were expressly set forth in this instrument.

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the date hereinabove set forth.

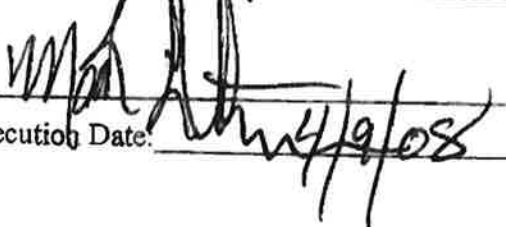
FIRST PARTY

Summit Operating, LLC

BY 

SECOND PARTIES

Hot Rod Oil

BY 
Execution Date: 4/9/08

Limited Liability Company
CORPORATE ACKNOWLEDGMENT

STATE OF Utah)
) SS.
COUNTY OF Summit)

xx The forgoing instrument was acknowledged before me this 10th day of April 2008, by David Lillywhite, President, and by [Signature], Secretary of Summit Operating, LLC, a corporation. *xx*

WITNESS my hand and official seal.

My Commission Expires:

10/05/2011

Place of Residence:



[Signature]
Notary Public

INDIVIDUAL ACKNOWLEDGEMENT

STATE OF Utah)
) SS.
COUNTY OF Uintah)

On the 9th day of April 2008, *Mark Peterson* personally appeared before me Marcie Shafer, the signer(s) of above instrument, who duly acknowledge to me that he (she or they) executed the same.

WITNESS my hand and official seal.

My Commission Expires:

1/29/2011

Place of Residence:

Vernal, Ut



[Signature]
Notary Public



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 24, 2016

Certified Mail 7015 0640 0003 5275 9680

DIVISION WELL PLUGGING ORDER

Mr. Dave Knudson
Summit Operating, LLC
531 East 770 South
Orem, UT 84097

43 047 30143
27 135 21E

Subject: Division Order to Plug and Abandon the Govt AF-1 well operated by Hot Rod Oil

Dear Mr. Knudson,

The Division of Oil, Gas and Mining ("Division") is writing at the Bureau of Land Management's ("BLM") request to inform Summit Operating, LLC ("Summit") that the Govt AF-1 well located in the Seep Ridge Unit and operated by Hot Rod Oil is in non-compliance status and has been ordered to be plugged and abandoned. Please refer to the attached Division Well Plugging Order which was mailed to Hot Rod Oil on February 11, 2016, via certified mail.

The BLM states that Summit is listed as the Unit operator and as such is liable for the outstanding issues with this well. Please contact the BLM for any questions regarding this statement.

Questions regarding this order may be directed to Joshua Payne, Compliance Manager at (801) 538-5314.

Sincerely,

Joshua Payne
Compliance Manager

Enclosure

cc: John Rogers, Oil and Gas Associate Director
Steve Alder, Assistant Attorney General
John Robinson, Attorney General's Office
Melissa Reynolds, Attorney General's Office
Dustin Doucet, Petroleum Engineer
Robin Hansen, Petroleum Engineer BLM
Michael Riches, Petroleum Engineer BLM
Compliance File
Well File





United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Green River District
Vernal Field Office
170 South 500 East
Vernal, UT 84078

<http://www.blm.gov/ut/st/en/fo/vernal.html>



UTU 65371

IN REPLY REFER TO:
3160 (UTG010)

MAR 08 2016

CERTIFIED MAIL NUMBER - RETURN RECEIPT REQUESTED
7015 1520 0001 6869 7781

Summit Energy, LLC
Attn: David Knudson
90 South 400 W Suite 320
SLC, UT 84101

Re: Idle wells, 2016, Uintah Basin, Utah

Dear Mr. Knudson

Enclosed is a list of Summit Energy, LLC. wells that are not producing and are reported as shut-in or temporarily abandoned. This list contains wells that have not produced in excess of thirty (30) years. Wells which have had no recent production activity and/or are stripped of equipment need to either serve a useful purpose that is acceptable to the Bureau of Land Management or be plugged and abandoned thus reducing the liability upon public lands.

Therefore, within sixty (60) days of receipt of this letter, Summit Energy, LLC shall submit a Sundry Notice for each well on the list for approval of either (1) a proposed plan for plugging and abandonment; or (2) the useful purpose of the well; or (3) your plans to conduct a well test demonstrating production capability; or (4) your plans to restore production with a detailed list of workover procedures for the well bore and the time period for when the well would be returned to production.

If you decide to perform a well test, our office must be contacted at least 48 hours in advance during normal working hours in order to allow for someone to witness the test. Please contact Johnny Bowen, Branch Chief I&E, at (435) 781-4412 for that coordination.

This is an Order of the Authorized Officer (see 43 CFR 3162.1(a)). Failure to comply with this letter will be considered an act of noncompliance pursuant to 43 CFR 3163.1(a). Please see 43 CFR 3165.3 for information on your review and appeal rights. If you have any questions, please contact Michael Riches at (435) 781-4438.

Sincerely,

Jerry Kenczka

Assistant Field Manager for Lands and Minerals

Bcc: Hot Rod Oil
Attn: **Mark Peterson**
3050 North 2050 West
Vernal, UT 84078

cc: Reading file
Well File
Johnny Bowen
Randy Bywater

UTU080:MRiches:mr;3/7/2016

Summite Operating LLC

Well Name	API	Lease #	Status	Tship	Rng	Sec	Qtr	Last Production
Fed H-1430	4304733165	UTU65371	TA	10S	24E		30 SWSW	2003-11
Seep Ridge 1	4304730115	UTU6616	TA	13S	22E		23 SENW	No Production History
Gov't AF 1	4304730143	UTU19633	GSI	13S	21E		27 SESW	2003-07